



0000049035

4/05/06

28 DR

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ. 85007

RE: revisions of docket number W-01809A-05-0930

To Whom It May Concern,

Accompanying this letter are the necessary revisions to the above docket number, which is a rate application for Lakewood Water Company. I do have a comment on a certain item on the deficiency list. For item 2.7, we did not make any changes to the bill count. Instead, I have supplied a breakdown of the bill count Ron Kozoman did for us. If for some reason this does not "fix" the difference, we give the Arizona Corporation Commission permission to use their bill count numbers in order to move this case forward into the auditing stage.

If you have any questions, or require further information, please contact David Linn at (520) 271-2156.

Sincerely,

David Linn (Office Manager)
Lakewood Water Company

AZ CORP COMMISSION
DOCUMENT CONTROL

2006 APR 11 A 10:32

RECEIVED

Cayetano, Inc. dba Lakewood Water Company
Docket No. W-01809A-05-0930
Test Year ended December 31, 2004

List of Deficiencies:

- 2.1 Please furnish the Department of Revenue certificate of compliance.
- 2.2 On the revised copy of page 6 the customer notification date is missing. Please furnish.
- 2.3 On page 11 under the current tariff service charges, the Company states N/A for Deferred Payment. The current tariff on file states a charge for the Deferred Payment. Please correct.
- ~~2.4~~ The Company has a current tariff charge for fire sprinkler. This charge is not shown on page 11 of the application. Please correct.
- 2.5 The total plant additions on page 13 through page 13d is not the same amount as shown on page 14 total additions Column B. Please reconcile.
- 2.6 The total plant for the end of the test year on page 14, Column D is \$273,467. On page 15 Column A the amount is \$271,084. On page 20, Column A is \$273, 467. The plant total must be the same on all of the three pages. Please reconcile.
- 2.7 The bill count still does not produce the same revenue as the metered revenue shown on page 19 of the application. Please correct.
- 2.8 On page 18, please verify that the amount of gallons pumped and gallons sold for the months of March, May, June, and December 2004 are correct. If the gallons amounts are correct please explain why there is such a large difference in gallons pumped and gallons sold for these months.

Certificate of Compliance

Letter of Good Standing

Cayetano, Inc. dba Lakewood Water Co.

This Certificate of Compliance is issued pursuant to Arizona Revised Statutes Section 42-11110 and/or Section 43-1151. It certifies that, according to department records, the above named taxpayer has filed and paid all taxes due under Title 42 and Title 43, specifically and only as to the following described tax types and identification/license numbers:

TAX TYPE

Federal Employer Identification Number
Transaction Privilege Tax License
Withholding License

This certification is made conditionally and is subject to the findings of any subsequent audit.

IDENTIFICATION

86-0316599
10-057142-B
07-444892-Z

Issued To:

Cayetano, Inc. dba Lakewood Water Co
Attn: Mr. Christopher W. Hill
28770 S Nogales Hwy #7
Amado, AZ 85645-0733

Christina Canisales

Christina Canisales
Revenue Officer 602-716-6234
March 10, 2006
www.AZDOR.gov

STATEMENTS IN SUPPORT OF RATE REQUEST

Complete the following statements in support of your rate request.

Lakewood Water Company (The "Company") requests an adjustment in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending Test Year Ended: December 31, 2004 (mm/dd/yy). The Company had total operating revenues of \$ 94,436, served 299 metered and 0 unmetered customers and **sold** 46,135 Units of 1,000 gallons of water during the test year.
(from page 19)
(from page 18)

The Company is requesting a(n) increase/decrease in the amount of
\$ 19,569, or 20.72%.

Total annual operating revenues, if the Company is granted the rate adjustment, will be
\$ 114,005.

The Company is current on all property taxes. ☒ YES ☐ NO

The Company is current on all sales taxes. ☒ YES ☐ NO
(Please use the form in the appendix and see checklist item 2 on page 1.)

The Company currently has a Curtailment Plan Tariff on file with the Commission. ☒ YES ☐ NO
Tariff Filed with this application

The Company currently has a Backflow Prevention Tariff on file with the Commission. ☒ YES ☐ NO
Tariff Filed with this application

The Company notified its customers of its application for a rate adjustment on 1/18/2006 (mm/dd/yy). **A COPY OF THE NOTICE WITH A NOTARIZED COVER LETTER STATING THE METHOD OF CUSTOMER NOTIFICATION, AS WELL AS THE DATE OF THE NOTIFICATION MUST BE ATTACHED.** (See page 32)

By completing this application in support of the Company's request for a rate adjustment, the Company realizes that Original Cost Less Depreciation ("OCLD") plant information will be used to determine the fair value rate base, i.e., the Company waives the right to Reconstruction Cost New.

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

CURRENT AND PROPOSED RATES AND CHARGESCUSTOMER CLASS ☐ Residential ☐ Commercial ☐ Industrial☐ Irrigation ☒ All ☐ Other, specify _____

SERVICE LINE AND METER INSTALLATION CHARGES
5/8" x 3/4" Meter
3/4 " Meter
1" Meter
1 1/2" Meter
2" Meter Turbo
2" Meter Compound
3" Meter Turbo
3" Meter Compound
4" Meter Turbo
4" Meter Compound
6" Meter Turbo
6" Meter Compound

CURRENT CHARGES
\$ 320
\$ 360
\$ 410
\$ 620
\$ 1,025
\$ 1,525
\$ 2,240
\$ 4,345

PROPOSED CHARGES
\$ 480
\$ 560
\$ 650
\$ 895
\$ 1,555
\$ 2,280
\$ 2,235
\$ 3,070
\$ 3,440
\$ 4,395
\$ 6,195
\$ 7,970

Establishment (R14-2-403.D)	\$ 20.00
Establishment (After Hours) (R14-2-403.D.2)	\$ 40.00
Reconnection (Delinquent) (R14-2-403.D.1)	\$ 40.00
Reconnection (Delinquent) after hours (R14-2-403.D.1)	\$ 40.00
Meter Test (R14-2-408.F.1)	\$ 30.00
Deposit (R14-2-403.B)	PER RULE
Deposit Interest (R14-2-403.B)	PER RULE
Re-establishment (Within 12 months) (R14-2-403.D)	PER RULE
NSF Check (R14-2-409.F.1)	\$ 15.00
Deferred Payment (R14-2-409.G)	1.50%
Meter Re-read (R14-2-408)	\$ 15.00
Late Fee (R14-2-409.C.1)	1.5% per month

\$ 25.00
\$ 40.00
\$ 40.00
\$ 40.00
\$ 50.00
\$ 30.00
PER RULE
PER RULE
PER RULE
PER RULE
\$ 35.00
1.50%
\$ 15.00
1.5% per month

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g. residential, commercial) unless "All" is checked.

Monthly Service Charge For Fire Sprinkler:

4" or Smaller
6"

1% of monthly minimum for a comparable sized meter connection, but no less than \$5.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Depr. Rate	1994 Staff Plant	Allocate ACC Staff Depr.	Net Plant Per Staff	1995 Retirements	1995 Additions	1995 Plant	1995 Depreciation Expense	1995 Accumulated Depreciation	1996 Retirements	1996 Additions	1996 Plant
301	Organization Cost	5.00%	7,704	3,632	4,072	-	-	7,704	385	4,017	-	-	7,704
302	Franchise Cost	-	-	-	-	-	-	-	-	-	-	-	-
303	Land and Land Rights	-	3,488	-	3,488	-	-	3,488	-	-	-	-	3,488
304	Structures and Improvements	5.00%	1,917	904	1,013	-	-	1,917	96	1,000	-	-	1,917
307	Wells and Springs	5.00%	17,078	8,051	9,027	-	-	17,078	854	8,905	-	-	17,078
311	Electric Pumping Equipment	5.00%	35,550	16,759	18,791	-	849	36,399	1,799	18,557	-	-	36,399
320	Water Treatment Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
320.1	Water Treatment Plants	5.00%	-	-	-	-	-	-	-	-	-	-	-
320.2	Solution Chemical Feeders	5.00%	-	-	-	-	-	-	-	-	-	-	-
330	Distribution Reservoirs & Standpipe	5.00%	23,893	11,263	12,630	-	-	23,893	1,195	12,458	-	-	23,893
330.1	Storage Tanks	5.00%	-	-	-	-	-	-	-	-	-	-	-
330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-	-
331	Transmission and Distribution Mains	5.00%	76,496	36,061	40,435	-	527	77,023	3,838	39,899	-	-	77,023
333	Services	5.00%	7,732	3,645	4,087	-	-	7,732	387	4,032	-	-	7,732
334	Meters & Meter Installations	5.00%	16,479	7,768	8,711	-	1,851	18,330	870	8,639	-	674	19,004
335	Hydrants	5.00%	-	-	-	-	-	-	-	-	-	-	-
336	Backflow Prevention Devices	5.00%	-	-	-	-	-	-	-	-	-	-	-
339	Other Plant and Misc. Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
340	Office Furniture and Fixtures	5.00%	5,063	2,387	2,676	-	1,019	6,082	279	2,665	-	-	6,082
340.1	Computers and Software	5.00%	-	-	-	-	-	-	-	-	-	-	-
341	Transportation Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
343	Tools and Work Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
344	Laboratory Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
345	Power Operated Equipment	5.00%	1,890	891	999	-	-	1,890	95	985	-	-	1,890
346	Communications Equipment	5.00%	606	286	320	-	27	633	31	317	-	-	633
347	Miscellaneous Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-
348	Other Tangible Plant	5.00%	-	-	-	-	478	478	12	12	-	-	478
	TOTAL WATER PLANT		197,896	91,646	106,250	-	4,750	202,646	9,839	101,485	-	674	203,320

ACC Staff Depreciable Plant, All except Land

194,408

ACC Staff Accumulated Depreciation

91,646

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C respectively.

Amortization of CIAC

13-0

907

Half Year Convention on Depreciation taken in year of acquisition

Revised 8/27/02

Company Name: Lakewood Water Company Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Depr. Rate	1996 Depreciation Expense	1996 Accumulated Depreciation	1997 Retirements	1997 Additions	1997 Plant	1997 Depreciation Expense	1997 Accumulated Depreciation	1998 Retirements	1998 Additions	1998 Plant
301	Organization Cost	5.00%	385	4,402			7,704	385	4,787			7,704
302	Franchise Cost	5.00%	-	-			-	-	-			-
303	Land and Land Rights		-	-			3,488	-	-			3,488
304	Structures and Improvements	5.00%	96	1,095			1,917	96	1,191			1,917
307	Wells and Springs	5.00%	854	9,759			17,078	854	10,612			17,078
311	Electric Pumping Equipment	5.00%	1,820	20,377			36,399	1,820	22,197			36,399
320	Water Treatment Equipment	5.00%	-	-			-	-	-			-
320.1	Water Treatment Plants	5.00%	-	-			-	-	-			-
320.2	Solution Chemical Feeders	5.00%	-	-			-	-	-			-
330	Distribution Reservoirs & Standpi	5.00%	1,195	13,653			23,893	1,195	14,847			23,893
330.1	Storage Tanks	5.00%	-	-			-	-	-			-
330.2	Pressure Tanks	5.00%	-	-			-	-	-			-
331	Transmission and Distribution Ma	5.00%	3,851	43,750			77,023	3,851	47,601			78,887
333	Services	5.00%	387	4,418			7,732	387	4,805			7,732
334	Meters & Meter Installations	5.00%	933	9,572			20,590	990	10,562			20,560
335	Hydrants	5.00%	-	-			-	-	-			-
336	Backflow Prevention Devices	5.00%	-	-			-	-	-			-
339	Other Plant and Misc. Equipment	5.00%	-	-			-	-	-			-
340	Office Furniture and Fixtures	5.00%	304	2,969			6,082	304	3,274			6,082
340.1	Computers and Software	5.00%	-	-			-	-	-			-
341	Transportation Equipment	5.00%	-	-			-	-	-			-
343	Tools and Work Equipment	5.00%	-	-			-	-	-			-
344	Laboratory Equipment	5.00%	-	-			-	-	-			-
345	Power Operated Equipment	5.00%	95	1,080			1,890	95	1,174			2,250
346	Communications Equipment	5.00%	32	348			633	32	380			633
347	Miscellaneous Equipment	5.00%	-	-			-	-	-			-
348	Other Tangible Plant	5.00%	24	36			478	24	60			478
	TOTAL WATER PLANT		9,975	111,460	-	1,586	204,906	10,031	121,491	-	2,224	207,130

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C respectively.

Amortization of CIAC

Half Year Convention on Depreciation taken in year of acquisition

Revised 8/27/02

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Depr. Rate	1998 Depreciation Expense	1998 Accumulated Depreciation	1999 Retirements	1999 Additions	1999 Plant	1999 Depreciation Expense	1999 Accumulated Depreciation	2000 Retirements	2000 Additions	2000 Plant
301	Organization Cost	5.00%	385	5,173			7,704	385	5,558		2,248	7,704
302	Franchise Cost		-	-			-	-	-		-	-
303	Land and Land Rights		-	-			3,488	-	-		-	3,488
304	Structures and Improvements	5.00%	96	1,287			1,917	96	1,383		3,800	5,717
307	Wells and Springs	5.00%	854	11,466			17,078	854	12,320			17,078
311	Electric Pumping Equipment	5.00%	1,820	24,017			36,399	1,820	25,837			36,399
320	Water Treatment Equipment	5.00%	-	-			-	-	-			-
320.1	Water Treatment Plants	5.00%	-	-			-	-	-			-
320.2	Solution Chemical Feeders	5.00%	-	-			-	-	-			-
330	Distribution Reservoirs & Standpi	5.00%	1,195	16,042			23,893	1,195	17,237		15,163	39,056
330.1	Storage Tanks	5.00%	-	-			-	-	-			-
330.2	Pressure Tanks	5.00%	-	-			-	-	-			-
331	Transmission and Distribution Ma	5.00%	3,898	51,499	129		79,016	3,948	55,447		724	79,740
333	Services	5.00%	387	5,191			7,732	387	5,578		464	8,196
334	Meters & Meter Installations	5.00%	1,029	11,591	409		20,998	1,040	12,631			20,998
335	Hydrants	5.00%	-	-			-	-	-			-
336	Backflow Prevention Devices	5.00%	-	-			-	-	-			-
339	Other Plant and Misc. Equipment	5.00%	-	-			-	-	-			-
340	Office Furniture and Fixtures	5.00%	304	3,578			6,082	304	3,882		1,156	7,238
340.1	Computers and Software	5.00%	-	-			-	-	-		1,800	1,800
341	Transportation Equipment	5.00%	-	-			-	-	-		200	200
343	Tools and Work Equipment	5.00%	-	-			-	-	-			-
344	Laboratory Equipment	5.00%	-	-			-	-	-			-
345	Power Operated Equipment	5.00%	103	1,278			2,250	112	1,390		54	2,304
346	Communications Equipment	5.00%	32	412			633	32	443			633
347	Miscellaneous Equipment	5.00%	-	-			-	-	-			-
348	Other Tangible Plant	5.00%	24	84			478	24	108			478
	TOTAL WATER PLANT		10,126	131,618	-	537	207,668	10,196	141,813	-	25,609	233,277

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C respectively.

Amortization of CIAC

Half Year Convention on Depreciation taken in year of acquisition

Revised 8/27/02

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Depr. Rate	2000 Depreciation Expense	2000 Accumulated Depreciation	2001 Retirements	2001 Additions	2001 Plant	2001 Depreciation Expense	2001 Accumulated Depreciation	2002 Retirements	2002 Additions	2002 Plant
301	Organization Cost	5.00%	385	5,943			7,704	385	6,328			7,704
302	Franchise Cost		-	-		827	3,075	-	-			3,075
303	Land and Land Rights		-	-			3,488	-	-			3,488
304	Structures and Improvements	5.00%	191	1,574			5,717	286	1,860			5,717
307	Wells and Springs	5.00%	854	13,174			17,078	854	14,028			17,078
311	Electric Pumping Equipment	5.00%	1,820	27,657		7,933	44,332	2,018	29,675		2,421	46,752
320	Water Treatment Equipment	5.00%	-	-			-	-	-			-
320.1	Water Treatment Plants	5.00%	-	-			-	-	-			-
320.2	Solution Chemical Feeders	5.00%	-	-			-	-	-			-
330	Distribution Reservoirs & Standpi	5.00%	1,574	18,810			39,056	1,953	20,763		612	39,668
330.1	Storage Tanks		-	-			-	-	-			-
330.2	Pressure Tanks	5.00%	-	-			-	-	-			-
331	Transmission and Distribution Ma	5.00%	3,969	59,415		8,900	88,639	4,209	63,625			88,639
333	Services	5.00%	398	5,976		6,309	14,505	568	6,544		1,061	15,566
334	Meters & Meter Installations	5.00%	1,050	13,681		1,446	22,444	1,086	14,767		2,481	24,925
335	Hydrants	5.00%	-	-			-	-	-			-
336	Backflow Prevention Devices	5.00%	-	-			-	-	-			-
339	Other Plant and Misc. Equipment	5.00%	-	-			-	-	-			-
340	Office Furniture and Fixtures	5.00%	333	4,215			7,238	362	4,577		430	7,668
340.1	Computers and Software	5.00%	-	-			-	-	-			-
341	Transportation Equipment	5.00%	45	45			1,800	90	135			1,800
343	Tools and Work Equipment	5.00%	5	5			200	10	15		916	1,116
344	Laboratory Equipment	5.00%	-	-			-	-	-			-
345	Power Operated Equipment	5.00%	114	1,504		289	2,593	122	1,627			2,593
346	Communications Equipment	5.00%	32	475			633	32	506			633
347	Miscellaneous Equipment	5.00%	-	-			-	-	-			-
348	Other Tangible Plant	5.00%	24	131		74	552	26	157			552
	TOTAL WATER PLANT		10,793	152,606	-	25,777	259,053	12,001	164,607	-	7,920	266,974

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C respectively.

Amortization of CIAC

13-4

Half Year Convention on Depreciation taken in year of acquisition

Revised 8/27/02

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

2001	Description	Depr. Rate	2002 Depreciation Expense	2002 Accumulated Depreciation	2003 Retirements	2003 Additions	2003 Plant	2003 Depreciation Expense	2003 Accumulated Depreciation	2004 Retirements	2004 Additions	2004 Plant	2004 Depreciation	2004 Accum. Depr.
301	Organization Cost	5.00%	385	6,713			7,704	385	7,099			7,704	385	7,484
302	Franchise Cost		-	-			3,075	-	-			3,075	-	-
303	Land and Land Rights		-	-			3,488	-	-			3,488	-	-
304	Structures and Improvements	5.00%	286	2,145			5,717	286	2,431			5,717	286	2,717
307	Wells and Springs	5.00%	854	14,882			17,078	854	15,736			17,078	854	16,590
311	Electric Pumping Equipment	5.00%	2,277	31,953		1,494	48,246	2,375	34,328		2,619	50,865	2,674	37,002
320	Water Treatment Equipment	5.00%	-	-			-	-	-			-	-	-
320.1	Water Treatment Plants	5.00%	-	-			-	-	-			-	-	-
320.2	Solution Chemical Feeders	5.00%	-	-			-	-	-			-	-	-
330	Distribution Reservoirs & Standpi	5.00%	1,968	22,731			39,668	1,983	24,715			39,668	1,983	26,698
330.1	Storage Tanks	5.00%	-	-			-	-	-			-	-	-
330.2	Pressure Tanks	5.00%	-	-			-	-	-			-	-	-
331	Transmission and Distribution Ma	5.00%	4,432	68,057			88,639	4,432	72,489			88,639	4,432	76,921
333	Services	5.00%	752	7,295		585	16,151	793	8,088		1,188	17,339	926	9,015
334	Meters & Meter Installations	5.00%	1,184	15,951			24,925	1,246	17,197			24,925	1,246	18,444
335	Hydrants	5.00%	-	-			-	-	-			-	-	-
336	Backflow Prevention Devices	5.00%	-	-			-	-	-			-	-	-
339	Other Plant and Misc. Equipment	5.00%	-	-			-	-	-			-	-	-
340	Office Furniture and Fixtures	5.00%	373	4,949		1,161	8,829	412	5,362			8,829	441	5,803
340.1	Computers and Software	5.00%	-	-			-	-	-			-	-	-
341	Transportation Equipment	5.00%	90	225			1,800	90	315			1,800	90	405
343	Tools and Work Equipment	5.00%	33	48			1,116	56	104			1,116	56	159
344	Laboratory Equipment	5.00%	-	-			-	-	-			-	-	-
345	Power Operated Equipment	5.00%	130	1,756			2,593	130	1,886			2,593	130	2,016
346	Communications Equipment	5.00%	32	538			633	32	570			633	32	601
347	Miscellaneous Equipment	5.00%	-	-			-	-	-			-	-	-
348	Other Tangible Plant	5.00%	28	185			552	28	212			552	28	240
	TOTAL WATER PLANT		12,823	177,429	-	3,240	270,213	13,102	190,531	-	3,806	274,020	13,563	204,094

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C respectively.

Amortization of CIAC

13-5

Half Year Convention on Depreciation taken in year of acquisition

Revised 8/27/02

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Year 1995		Year 1996	
		Additions	Retirements	Additions	Retirements
301	Organization Cost	0		0	
302	Franchise Cost	0		0	
303	Land and Land Rights	0		0	
304	Structures and Improvements	0		0	
307	Wells and Springs	0		0	
311	Electric Pumping Equipment	849.13		0	
320	Water Treatment Equipment	0		0	
320.1	Water Treatment Plants	0		0	
320.2	Solution Chemical Feeders	0		0	
330	Distribution Reservoirs & Standpipe	0		0	
330.1	Storage Tanks	0		0	
330.2	Pressure Tanks	0		0	
331	Transmission and Distribution Mains	526.63		0	
333	Services	0		0	
334	Meters & Meter Installations	1850.81		674.28	
335	Hydrants	0		0	
336	Backflow Prevention Devices	0		0	
339	Other Plant and Misc. Equipment	0		0	
340	Office Furniture and Fixtures	1018.59		0	
340.1	Computers and Software	0		0	
341	Transportation Equipment	0		0	
343	Tools and Work Equipment	0		0	
344	Laboratory Equipment	0		0	
345	Power Operated Equipment	0		0	
345	Communications Equipment	26.74		0	
347	Miscellaneous Equipment	0		0	
348	Other Tangible Plant	477.94		0	
	TOTAL WATER PLANT	4,749.84		674.28	

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B a respectively.

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Year 1997		Year 1998	
		Additions	Retirements	Additions	Retirements
301	Organization Cost	0		0	
302	Franchise Cost	0		0	
303	Land and Land Rights	0		0	
304	Structures and Improvements	0		0	
307	Wells and Springs	0		0	
311	Electric Pumping Equipment	0		0	
320	Water Treatment Equipment	0		0	
320.1	Water Treatment Plants	0		0	
320.2	Solution Chemical Feeders	0		0	
330	Distribution Reservoirs & Standpipe	0		0	
330.1	Storage Tanks	0		0	
330.2	Pressure Tanks	0		0	
331	Transmission and Distribution Mains	0		1864.51	
333	Services	0		0	
334	Meters & Meter Installations	1585.53		0	
335	Hydrants	0		0	
336	Backflow Prevention Devices	0		0	
339	Other Plant and Misc. Equipment	0		0	
340	Office Furniture and Fixtures	0		0	
340.1	Computers and Software	0		0	
341	Transportation Equipment	0		0	
343	Tools and Work Equipment	0		0	
344	Laboratory Equipment	0		0	
345	Power Operated Equipment	0		359.98	
345	Communications Equipment	0		0	
347	Miscellaneous Equipment	0		0	
348	Other Tangible Plant	0		0	
				0	
	TOTAL WATER PLANT	1,585.53		2,224.49	

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B a respectively.

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Year 1999		Year 2000	
		Additions	Retirements	Additions	Retirements
301	Organization Cost	0		0	
302	Franchise Cost	0		2248.24	
303	Land and Land Rights	0		0	
304	Structures and Improvements	0		3800	
307	Wells and Springs	0		0	
311	Electric Pumping Equipment	0		0	
320	Water Treatment Equipment	0		0	
320.1	Water Treatment Plants	0		0	
320.2	Solution Chemical Feeders	0		0	
330	Distribution Reservoirs & Standpipe	0		15162.73	
330.1	Storage Tanks	0		0	
330.2	Pressure Tanks	0		0	
331	Transmission and Distribution Mains	129		723.93	
333	Services	0		463.83	
334	Meters & Meter Installations	409		0	
335	Hydrants	0		0	
336	Backflow Prevention Devices	0		0	
339	Other Plant and Misc. Equipment	0		0	
340	Office Furniture and Fixtures	0		1156.24	
340.1	Computers and Software	0		0	
341	Transportation Equipment	0		1800	
343	Tools and Work Equipment	0		200	
344	Laboratory Equipment	0		0	
345	Power Operated Equipment	0		54.19	
345	Communications Equipment	0		0	
347	Miscellaneous Equipment	0		0	
348	Other Tangible Plant	0		0	
	TOTAL WATER PLANT	538.00		25,609.16	

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C respectively.

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Year 2001		Year 2002	
		Additions	Retirements	Additions	Retirements
301	Organization Cost	0		0	
302	Franchise Cost	826.64		0	
303	Land and Land Rights	0		0	
304	Structures and Improvements	0		0	
307	Wells and Springs	0		0	
311	Electric Pumping Equipment	7932.69		2420.6	
320	Water Treatment Equipment	0		0	
320.1	Water Treatment Plants	0		0	
320.2	Solution Chemical Feeders	0		0	
330	Distribution Reservoirs & Standpipe	0		611.87	
330.1	Storage Tanks	0		0	
330.2	Pressure Tanks	0		0	
331	Transmission and Distribution Mains	8899.64		0	
333	Services	6308.96		1061.15	
334	Meters & Meter Installations	1445.64		2480.6	
335	Hydrants	0		0	
336	Backflow Prevention Devices	0		0	
339	Other Plant and Misc. Equipment	0		0	
340	Office Furniture and Fixtures	0		430.39	
340.1	Computers and Software	0		0	
341	Transportation Equipment	0		0	
343	Tools and Work Equipment	0		915.74	
344	Laboratory Equipment	0		0	
345	Power Operated Equipment	288.88		0	
345	Communications Equipment	0		0	
347	Miscellaneous Equipment	0		0	
348	Other Tangible Plant	74.33		0	
	TOTAL WATER PLANT	25,776.78		7,920.35	

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B a respectively.

Company Name: Lakewood Water Company

Test Year Ended: December 31, 2004

Revised

Plant Additions and Retirements by Year

Acct. No.	Description	Year 2003		Year 2004	
		Additions	Retirement	Additions	Retirements
301	Organization Cost	0		0	
302	Franchise Cost	0		0	
303	Land and Land Rights	0		0	
304	Structures and Improvements	0		0	
307	Wells and Springs	0		0	
311	Electric Pumping Equipment	1493.74		2618.65	
320	Water Treatment Equipment	0		0	
320.1	Water Treatment Plants	0		0	
320.2	Solution Chemical Feeders	0		0	
330	Distribution Reservoirs & Standpipes	0		0	
330.1	Storage Tanks	0		0	
330.2	Pressure Tanks	0		0	
331	Transmission and Distribution Material	0		0	
333	Services	585.29		1187.62	
334	Meters & Meter Installations	0		0	
335	Hydrants	0		0	
336	Backflow Prevention Devices	0		0	
339	Other Plant and Misc. Equipment	0		0	
340	Office Furniture and Fixtures	1160.51		0	
340.1	Computers and Software	0		0	
341	Transportation Equipment	0		0	
343	Tools and Work Equipment	0		0	
344	Laboratory Equipment	0		0	
345	Power Operated Equipment	0		0	
345	Communications Equipment	0		0	
347	Miscellaneous Equipment	0		0	
348	Other Tangible Plant	0		0	
	TOTAL WATER PLANT	3,239.54		3,806.27	

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C respectively.

Company Name: Lakewood Water Company	Test Year Ended: December 31, 2004
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Revised

Plant Summary

Acct. No.	Description	Plant in Service Per Prior Decision	Total Additions	Total Retirements	Test Year End Total
		Column A	Column B	Column C	Column D*
301	Organization Cost	7,704	-		7,704
302	Franchise Cost	-	3,075		3,075
303	Land and Land Rights	3,488	-		3,488
304	Structures and Improvements	1,917	3,800		5,717
307	Wells and Springs	17,078	-		17,078
311	Electric Pumping Equipment	35,550	15,315		50,865
320	Water Treatment Equipment	-	-		-
320.1	Water Treatment Plants	-	-		-
320.2	Solution Chemical Feeders	-	-		-
330	Distribution Reservoirs & Standpipe	23,893	15,775		39,668
330.1	Storage Tanks	-	-		-
330.2	Pressure Tanks	-	-		-
331	Transmission and Distribution Mains	76,496	12,143		88,639
333	Services	7,732	9,607		17,339
334	Meters & Meter Installations	16,479	8,446		24,925
335	Hydrants	-	-		-
336	Backflow Prevention Devices	-	-		-
339	Other Plant and Misc. Equipment	-	-		-
340	Office Furniture and Fixtures	5,063	3,766		8,829
340.1	Computers and Software	-	-		-
341	Transportation Equipment	-	1,800		1,800
343	Tools and Work Equipment	-	1,116		1,116
344	Laboratory Equipment	-	-		-
345	Power Operated Equipment	1,890	703		2,593
345	Communications Equipment	606	27		633
347	Miscellaneous Equipment	-	-		-
348	Other Tangible Plant	-	552		552
	TOTAL WATER PLANT	197,896	76,124		274,020

(None)

Note: Please refer to the checklist on page 1 for the required attachments related to this schedule

* Column D = Column A + Column B - Column C

Revised

Utility Plant in Service

Acct. No.	Description	Original Cost	Accumulated Depreciation	OCLD
		Column A	Column B	Column C
301	Organization Cost	7,704	7,484	220
302	Franchise Cost	3,075	-	3,075
303	Land and Land Rights	3,488	-	3,488
304	Structures and Improvements	5,717	2,717	3,000
307	Wells and Springs	17,078	16,590	488
311	Electric Pumping Equipment	50,865	37,002	13,863
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	-	-	-
320.2	Solution Chemical Feeders	-	-	-
330	Distribution Reservoirs & Standpipe	39,668	26,698	12,970
330.1	Storage Tanks	-	-	-
330.2	Pressure Tanks	-	-	-
331	Transmission and Distribution Mains	88,639	76,921	11,719
333	Services	17,339	9,015	8,324
334	Meters & Meter Installations	24,925	18,444	6,481
335	Hydrants	-	-	-
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Fixtures	8,829	5,803	3,026
340.1	Computers and Software	-	-	-
341	Transportation Equipment	1,800	405	1,395
343	Tools and Work Equipment	1,116	159	956
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	2,593	2,016	577
345	Communications Equipment	633	601	31
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	552	240	312
	TOTAL WATER PLANT	274,020	204,094	69,925

*

*

* Must be the same as the amount reported on page 20

* Column C = Column A - Column B

(a)

Revised

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	Description	Original Cost	Depreciation Percentage	Depreciation Expense
		Column A	Column B	Column C*
301	Organization Cost	7,704	5.00%	385
302	Franchise Cost	3,075	5.00%	154
303	Land and Land Rights	3,488		-
304	Structures and Improvements	5,717	3.33%	190
307	Wells and Springs	17,078	5.00%	854
311	Electric Pumping Equipment	50,865	12.50%	6,358
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	-		-
330	Distribution Reservoirs & Standpipe	39,668	2.22%	881
330.1	Storage Tanks	-	2.22%	-
330.2	Pressure Tanks	-	5.00%	-
331	Transmission and Distribution Mains	88,639	2.00%	1,773
333	Services	17,339	3.33%	577
334	Meters & Meter Installations	24,925	8.33%	2,076
335	Hydrants	-	2.00%	-
336	Backflow Prevention Devices	-	6.67%	-
339	Other Plant and Misc. Equipment	-	6.67%	-
340	Office Furniture and Fixtures	8,829	6.67%	589
340.1	Computers and Software	-	20.00%	-
341	Transportation Equipment	1,800	20.00%	360
343	Tools and Work Equipment	1,116	5.00%	56
344	Laboratory Equipment	-	10.00%	-
345	Power Operated Equipment	2,593	5.00%	130
345	Communications Equipment	633	10.00%	63
347	Miscellaneous Equipment	-	10.00%	-
348	Other Tangible Plant	552	10.00%	55
271	Contributions in Aid of Construction			
	18,135		5.292%	(960)
	TOTAL WATER PLANT	274,020		13,541

Note: Use Test Year ending balances for Column 1, and approved depreciation rates from the prior rate case in column 2.

(a) Uses Depreciation Rates normally allowed by ACC Engineering Staff.

* Column C = Column A x Column B

20

Revised 8/27/02

Depreciable Plant	274,020	5.292%	14,501
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Ronald L. Kozoman, CPA
1605 W. Mulberry Drive, Phoenix, Arizona 85015
FACSIMILE COVER SHEET
FROM FAX (602) 264-8290
ronkozoman@msn.com

To: Charles Muhlhausen
From: Ron Kozoman
Date: 3/20/06
Message: Lakewood Water Company
Re: Revenues not within tolerance allowed by ACC Staff

Charles:

I have checked the bill count over twice now, and based on the bill count, the revenues generated by the bill count total \$92,580 from water sales. (Using the mid-point for computing revenues, When the \$1,482 Miscellaneous Revenues are added to the bill count revenues, revenues total \$94,062. The revenues per annual report total \$94,436. I compute that the difference between the bill count and the reported revenues is \$347 (\$94,436 - \$94,062). That difference is 0.40%, (\$347 / \$92,580) or within the 0.50% tolerance set by Staff.

The revenues I compute per the bill count are:

5/8-inch Residential	\$82,987
5/8-inch Commercial	1,479
5/8-inch Irrigation	672
1-inch Residential	2,441
1-inch Commercial	4,617
1 1/2-Inch Residential	<u>384</u>
Total Revenues from Bill Counts	\$92,580
Miscellaneous Revenues	<u>1,482</u>
Total Revenues	<u>\$94,062</u>

Revenues Reported	<u>\$94,436</u>
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Difference	<u>\$374</u>
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Percentage Difference $(\$374 / \$94,436) = 0.40\%$

Or

$(\$374 / \$94,062) = 0.3977\%$

TOTAL NUMBER OF PAGES BEING SENT 1 (Including Cover Page)

If you do not receive all pages specified, please call Ron Kozoman as soon as possible at: 602-264-8290.

4/4/2006

To Who It May Concern,

The purpose of this letter is to explain deficiency item 2.8 for docket # W-01809A-05-0930, which deals with pumped water versus billed water. On page 18 of the rate application, March, May, June, and December have unusually high unaccounted for water. Let me begin by stating I only began working for this company in October of 2004, so all I have to go by are the less than adequate records of my predecessor. In March, the records show a break that was estimated at a 40,000 gallon loss. In May there was a system flush (blow-off) and a curb fill totaling 87,000 gallons. For June there was a break, a flush, and a curb fill totaling 123,500 gallons. As for December there was a break and a flush estimated at 33,000 gallons. Now none of these really put a dent in the unaccounted for water. However, since then we have replaced both our well meters and over 50 of the original (30 years old) service connection meters and have not had any problems with high amounts of unaccounted for water.

If have any questions, or require further information, please call David Linn at (520) 398-9815.

Sincerely,

A handwritten signature in cursive script that reads "David Linn".

David Linn

NAME OF COMPANY	Lakewood Water Company
ADEQ Public Water System Number:	

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
January	298	2,909.88	3,285.4
February	298	2,446.52	3,168.0
March	296	2,684.61	4,227.5
April	295	3,103.25	4,187.5
May	296	3,643.71	5,806.3
June	298	4,817.49	6,608.4
July	297	5,567.63	5,612.2
August	300	4,821.30	5,967.5
September	299	4,823.95	5,502.5
October	299	4,391.94	4,490.8
November	299	3,727.22	3,931.0
December	299	3,197.87	4,897.4
Total	N/A	46,135.4	57,684.5

Is the water utility located in an ADRW Active Management Area ("AMA")?

☒ Yes ☐ No

Does the Company have an ADWR gallons per capita ("GPCD") requirement?

☐ Yes ☒ No

If Yes, please provide the GPCD amount: _____

Arsenic Reading: Well# 55-629430 = .011 mg/1

Arsenic Reading: Well# 55-629431 = .0074 mg/1

Note: If you are filing for more than one system, please provide separate data sheets for each system.

For explanation of any of the above, please contact Engineering Supervisor at 602-542-7277.

* This number must be equal to the number of entered on page 6, "sold gallons."

** Gallons pumped cannot equal or be less than gallons sold.